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AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING.
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STAPLE COTTON ASSOCIATION PROUD OF ITS RECORD

In its seven years of service the Staple Cotton Cooperative Association, Greenwood, Miss., has sold for its members, 1,193,357 bales of cotton. For this cotton the members have received \$141,830,000, an average of \$118.85 per bale. This was not a price for selected cotton but included all that was delivered to the association, "regardless of staple, color or grade; good and bad; high and low; dogs and junk." The manager states that probably 100,000 bales were so low as to be practically unsaleable at the time of delivery. Furthermore, the cotton was sold under varying conditions of price and trade throughout the years.

The management is proud of its record of salesmanship and challenges a comparison "in any commodity, by anybody, anywhere, at any time." This record is brought before cotton growers to illustrate the folly of dumping their crop on an unwilling market when such an agency stands ready to serve them.

The report of the auditors for the 1927-28 season shows that the association received 135,550 bales of 1927 cotton, of which 75,433 bales were pooled and 60,112 bales were received to be sold on instructions from members. At the close of the business year, August 31, 1928, all of the pooled cotton had been sold or inventoried and the proceeds distributed to members, and a very large percentage of the factor cotton had been sold and settled for. The average pool price for the year was 24.26 cents per pound. The association retained 1.9 per cent of gross sales to cover operating expenses.

New crop cotton began pouring into the association in quantities early in October and in the first seven days of that month the receipts totalled 24,640 bales, an average of 3,520 per day, while last year for the corresponding days the average was 1,850 bales. October 1 was a record day with receipts of 4,190 bales.

On October 10, the members had delivered 77,226 bales, compared with 44,373 bales last year. Of this total, 50,627 bales were delivered to the pools, compared with 23,000 in the pools last year. This is a much larger proportion pooled, being two bales in the pools to one in the factor option, while last year the quantities delivered were practically the same for the two plans of sale. The satisfactory average pool price received last year is considered as one great reason for the heavier deliveries to the pool, and the present low market as another. The association is advancing about \$65 a bale.

TEXAS ASSOCIATION RECEIVING MUCH COTTON

On October 31 the Texas Cotton Growers' Association had received 54,917 bales of 1928 cotton and had sold 20,596 bales, some of which was for delivery in November, December and January. Shipments were increasing each week, with a prospect of November being the heaviest month.

Weight and grade sheets had been issued on 38,000 bales. This line of work is kept as nearly as possible up to date following the actual receipt of the cotton.

The general manager states that, while the association is not offering bargains or pushing sales, it is moving its cotton into the channels of trade as rapidly as there is a demand for it. He feels that there is no good reason for holding large stocks of cotton for long periods and it is a very expensive proposition. By moving the cotton into the channels of trade and reserving the option of fixing the price later, the association is in a position to take advantage of any rise in the market any day, which would seldom be possible with spot cotton. All cotton is sold on its merits as to color, grade and staple.

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COTTON GROWERS SUPPLY COMPANY FOR NORTH CAROLINA

The North Carolina Cotton Growers' Cooperative Association, Raleigh, N. C., is organizing a subsidiary to be known as the Cotton Growers' Supply Company. This Supply Company will be formed under a charter broad enough to permit it to handle nearly every kind of farm supplies and merchandise. However, for the present its activities are to be devoted to distributing better cotton seed and other farm seeds. Next spring the company will probably handle fertilizers also.

A sum not exceeding \$100,000 from the reserves of the cotton association may be set aside to establish the new undertaking. At present the association has set aside \$10,000 for the handling of seeds. As a first venture the company has purchased 8,000 bushels of pedigreed cotton seed which it plans to distribute through its field supervisors who will work in cooperation with the county agents of their respective districts. The company does not care to sell large quantities of the seed to individual members but prefers a wide distribution among members who will agree to have the cotton ginned carefully and the seed preserved next fall for planting purposes. Other desirable types of seed will also be secured and will be distributed as far as possible among members but will also be sold to nonmembers. Seed is to be sold at regular prices and any earnings resulting from the handling operations will be available for refund at the end of the year.

Standardization and improvement of the product is considered as the first step to successful cooperative marketing.

The Supply Association will be managed by six directors who are also the executive committee of the Cotton Association.

TEXAS GRAPEFRUIT MOVING TO MARKET

The Texas Citrus Fruit Growers' Exchange, Mission, Tex., announces that it has reduced its packing charge from \$1.10 a box to \$0.85. Each of its six years of operation, except the year of the freeze, the Exchange has declared a patronage dividend on the guaranteed maximum charge, and has also declared a dividend to its shareholders averaging nearly seven per cent on the investment.

In addition the Exchange has reduced its selling charge from 25 cents a box to 20 cents, from which it proposes to pay all selling expenses, including salaries, brokerage, telegrams, traveling expenses, legal work, collections, etc. With further expansion of volume of business the management hopes to make further reductions.

"TexaSweet" grapefruit began moving to market early in October. This is handled in semimonthly pools, with separate pools for the Duncan and Marsh Seedless varieties. The Exchange reports that all of its four plants are ready for business, including the new, modern plant at San Benito of which the members may well be proud.

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NEWCASTLE FRUIT ASSOCIATION ACQUIRES EXTENSIVE ORCHARDS

One of the largest member units of the California Fruit Exchange, San Francisco, the Newcastle Fruit Growers' Exchange, Newcastle, reports a very large addition to its tonnage through the recent affiliation of the manager of extensive fruit-growing properties. These properties include 23 units of 1,260 acres of young orchard, already producing about 300 car loads of high quality fruit, also 8 units of 750 acres of assorted fruits with an established reputation in all markets.

The fact that the manager of these orchards decided to sell through the cooperative association is particularly gratifying as he has acted as an independent packer for the past 25 years, handling and shipping his own fruit. During the years he has watched the growth and progress of the association and noted its increasing value to the growers in service and results, and finally decided to take this step in the interests of efficiency and economy. Seven fruit shippers at Newcastle, besides the cooperative association, resulted in unnecessary overhead expense to the growers. This increased tonnage will enable the Newcastle association to give additional service in filling orders, and also to operate at a minimum cost per package.

The Newcastle Fruit Growers' Association was organized in 1901, as a strictly cooperative enterprise to handle deciduous fruits, including cherries, peaches, plums, grapes, and apricots. During 1927 the association shipped 866 cars of fruit out of 1,999 sent to market from Newcastle, 43 per cent of the total. With the recently ac-

quired acreage it will control 60 per cent of the best orchards in the section, and hopes thereby to make a considerable saving in cost of operation.

To the eastern markets in 1927, the association shipped 853 cars of fruit which brought a gross average of \$1,760 for a car of 26,000 pounds, a total of \$1,390,097. Loading charges amounted to \$24,905; pooling charges, \$3,771; commissions, \$97,306; transportation, \$441,565; leaving a net sum of \$822,550, or an average of \$1.06½ per box, which was 21½ cents more than in 1926.

This selling price in the eastern markets was augmented by local and Exchange earnings amounting to 7.8 cents per box, and ripe fruit sold at nearby points brought a total of \$25,381.

Funds for financing the association are secured by holding the earnings of the locals for five-year periods. One per cent of gross sales is paid after one year, one per cent at the end of three years, and the remainder at the end of five years. This reserve amounted to \$98,328 early in the present year, and at the same time the refunds receivable from the California Fruit Exchange totaled \$130,753.

Box shook and various other supplies are handled for members. Purchases of such commodities amounted to \$191,701 in 1927.

Available figures for the years since 1912 indicate the development in membership and amount of business:

Year	Number of members	Cars handled	Amount of business
1912	48	---	\$122,291
1914	67	---	335,000
1915	70	---	42,403
1916	64	460	49,404
1921	86	---	592,271
1922	103	565	779,281
1923	111	850	654,545
1924	125	---	1,089,326
1925	135	---	1,302,771
1927	156	866	1,581,715

While the present Newcastle Fruit Growers' Association was formed in 1901, the records of the U. S. Department of Agriculture show that 15 fruit growers organized an association at that point as early as 1884 and shipped more than 100 cars of fruit that year.

FLORIDA CITRUS FRUIT BROUGHT GOOD PRICES

Citrus fruit sold last season through the Florida Citrus Exchange, Tampa, brought an average price of \$3.90 a box, the highest price in the history of the Exchange, and 13 cents higher than the average price for the entire state. Returns for oranges averaged \$4.39 per box, or 23 cents more than the state average. Grapefruit prices averaged \$3.22 and tangerines averaged \$5.28, all f.o.b. Tampa.

Twenty-three of the large associations affiliated with the Citrus Exchange now have precooling plants, six having been added during the past summer. The general manager estimates that the Exchange owns 95 per cent of the precooling facilities of the state and that it will this season precool 50 per cent of the crop.

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COLORADO BEAN GROWERS PLANNING FOR SETTLEMENT

As the Colorado Bean Growers' Association, Denver, has now disposed of practically all its 1927 beans, preparations for the final payment are in progress. The work is being hastened in order that the long-delayed settlement may be made as soon as possible. Slow sales and lack of adequate reserves have made the delay unavoidable.

Two new local groups are in process of organization. One in the Arkansas Valley and the other at Simla. This will make three locals.

The New Mexico Bean Association reports that beans are being delivered at a rapid rate. The association is advancing \$2.50 per cwt. on recleaned beans and paying this amount within four days of delivery. A uniform advance is made on all grades.

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STUDY OF POTATO MARKETING ON EASTERN SHORE

"What Farmers Say About Marketing Eastern Shore Potatoes and What Farmers Suggest for Better Marketing," is the title of a preliminary report by T. B. Manny, of the Bureau of Agricultural Economics, U. S. Department of Agriculture. This study of the potato-marketing situation on the Eastern Shore was made in cooperation with the University of Maryland and the Virginia Agricultural Experiment Station. Information was collected from 898 farmers, about one-tenth of the total number in the four counties; also from bank officials, prominent merchants, fertilizer agents, and implement dealers. Five hundred eighty-four of the farmers interviewed were members of the Eastern Shore Farmers' Association and 483 were stockholders of the Eastern Shore of Virginia Produce Exchange. The preliminary report deals chiefly with the difficulties reported by the persons interviewed. Other phases of the situation will be included in another paper. Some interesting conclusions are presented.

ILLINOIS GRAIN COMPANY REPORTS FOR ANOTHER YEAR

Grain sales of the Watseka Farmers' Grain Company, Cooperative, Watseka, Ill., reached a total of \$189,342 in the year ending September 30, 1928. The quantities sold included 182,143 bushels of corn, 84,186 bushels of oats, 3,297 bushels of wheat, and 1,096 bushels of rye. In addition to grain, the company sold coal to the value of \$44,549; merchandise, \$67,599; implements, \$21,295; and limestone, \$334, a total of \$133,777. The gross income from grain was \$11,409; from merchandise sales, \$18,124; and from grinding, \$1,800; a total of \$31,334. Operating expenses amounted to \$15,972, and interest and other items brought the net income for the year to \$18,041. Of this sum, \$1,606 went for income tax; \$3,000 for interest on share capital; \$2,200 for patronage dividends; and the balance of \$11,235 was carried to surplus. Net worth is now \$83,886.

(A story of this association since its organization in 1909 was published in this periodical November 22, 1926.)

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SOUTH DAKOTA COMPANY OPERATES LINE OF ELEVATORS

The Ferney Farmers' Cooperative Elevator Company, Groton, S. Dak., owns and operates a line of elevators located at Groton, Ferney, Stratford, and James. Its annual report for the year ending July 31, 1928, shows total earnings of \$51,318, of which \$36,602 resulted from dealings in grain; \$12,407 came from sales of merchandise; and the remainder from interest and dividends. Varicus expenses and losses brought the net earnings down to \$26,656, of which \$6,045 was distributed as interest on capital stock at the rate of 10 per cent; \$14,140 was returned to members as a patronage dividend on 471,234 bushels of grain, at the rate of 3 cents a bushel; and the remaining \$6,471 was carried to undivided profits. The company owns buildings and equipment with a depreciated value of \$78,056; has outstanding capital stock of \$60,450; surplus, \$35,576; and undivided profits, \$76,120.

The present organization, the Ferney Farmers' Cooperative Elevator Company, was formed in 1914 and took over the property and business of the Ferney Farmers' Elevator Company which had been in successful operation since 1900. In the 14 years the original company had acquired property worth over \$33,000, had paid its stockholders dividends to the amount of \$35,670, and built up a surplus fund of \$52,548.

Figures showing the amount of business for several years are as follows: 1913, \$500,371; 1916, \$677,971; 1917, \$589,971; 1918, \$960,590; 1921, \$480,000; 1923, \$400,000; 1925, \$434,501.

NEW CREAMERY PLANT OPENED IN NORTH DAKOTA

A new Equity-Union creamery was opened at Jamestown, N. Dak., on October 13. This creamery will be operated as a branch plant of the Equity-Union Creamery of Aberdeen, S. Dak., which established an assembling station at Jamestown early in 1927. As soon as an adequate membership and a sufficient volume of business to warrant such action had been obtained, the company purchased a site and erected a modern building of reinforced concrete, which is now fully equipped and ready for business, with a churn large enough to make five million pounds of butter in a year. North Dakota farmers furnished the funds for the erection of the building.

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CONSTRUCTIVE MEETING HELD BY NEW ENGLAND MILK PRODUCERS

By a unanimous vote at its recent annual meeting, the New England Milk Producers' Association, Boston, decided to establish an adequate reserve fund. This fund will be obtained by a deduction of one cent per hundred pounds on milk delivered by members. Another important action was to endorse the development of a program for producing quality milk. The need for more even production of milk throughout the year was recognized and the directors were instructed to prepare a plan to bring about such a result.

Three major events of the year, mentioned in the report of the manager, were as follows: (1) the agreement of the dairy cooperatives of Vermont to submit monthly reports to their commissioner of agriculture, thereby doing away with the greatest cause of unrest in the markets, (2) the successful outcome of a controversy with a large dairy company which refused to buy milk any longer on the basis of a known price, and (3) the emergency advance in price, and distribution of the burden of extra trucking expense occasioned by the serious flood which disrupted railroad transportation from northern New Hampshire, Vermont, and eastern New York.

Membership figures for the year show a net gain of 276, said to represent an actual working strength considerably greater than the figure indicates. The year began with a membership of 20,123, and closed with 20,399; 1,724 members having signed the contract, and 1,448 names having been removed due to changes of various kinds.

The treasurer reported that the association was in a sound financial condition and showed a continued healthy growth. His report showed an excess of income over expenditures of \$5,186.

An impressive feature of the meeting consisted of the many tributes to the memory of Richard Pattee who served so long and faithfully in building up the association. He was called "a peer in cooperative farm marketing circles, a man ahead of his time, incapable of deceit and a positive foe of corruption."

LAND O'LAKES CREAMERIES HANDLING TURKEYS

The Land O'Lakes Creameries, Inc., Minneapolis, is planning to market turkeys for its members during the holiday season, and is issuing instructions regarding dressing, packing and handling. All birds will be handled on a grade and quality basis, and so far as possible, through the local creamery or poultry association. Where one, two or three creameries can load a car within three days, a man will be detailed from the central organization to do the grading at time of delivery. Provision has been made for advance payments to those creameries making such request for their patrons. Turkeys sold for the Thanksgiving market will be handled in one pool, and those sold for the Christmas market, in another pool. Final settlement will be made on each lot soon after the close of the pool.

The association advises producers that it is in an excellent position to handle this poultry through a number of its butter buyers who have asked to be supplied with turkeys for the holiday trade.

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MICHIGAN HAS NEW EGG AND POULTRY ASSOCIATION

A new Michigan enterprise is the Ottawa Egg and Poultry Association, Zeeland, which was organized October 11, 1927, and began operating January 1, 1928. Its territory occupies parts of Allegan and Ottawa Counties, with a radius of about 17 miles from Zeeland. The section is given largely to small farms where considerable poultry is raised and the egg and hatchery industries have been highly developed.

As some producers felt that the industry deserved a better market, several meetings were held in the winter of 1926-27, with the aid of representatives of the State College, and a temporary organization was formed. This was followed by an educational campaign and 35 meetings were held during the spring months, after which a membership campaign was conducted and 400 members owning about 120,000 hens, signed the agreement.

All shipments are pooled, and the farmers receive pay for their eggs three times a month on the basis of the average pool price for the grade delivered. A desirable market has been found in Chicago with a large retail delivery organization which caters to a special trade. An expert accountant from the State College helped to plan and install a suitable system of accounts, and the association seems to have made a good start. Prices are reported to be "on the whole, considerably improved."

During the first few months the association handled only eggs, more recently it has undertaken to handle live poultry.

NEW LIVESTOCK SALES OFFICE OPENED AT SASKATOON

The Saskatchewan Live Stock Cooperative Marketing Association opened a new sales office on the stock yards at Saskatoon on November 5. This market was opened for the benefit of such locals as are situated near by and can ship more conveniently to that market. For the greater part of the stock this will be merely a primary market. In the meantime the association is watching developments regarding the desirability of maintaining large concentrated livestock markets or of having smaller markets nearer the producer.

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MINNESOTA ASSOCIATION SHIPS MUCH LIVESTOCK

Farmers in the vicinity of Bricelyn, Minn., organized the Bricelyn Farmers' Shipping Association in 1919 and have been shipping their own stock to market ever since. Their shipments have ranged from 131 cars in 1921 to 266 cars in 1923, and returns to shippers have ranged above 98 per cent of total receipts each year. Hogs and cattle make up the bulk of the shipments, with smaller numbers of sheep and calves.

In 1923 the association shipped 266 cars out of 273 shipped from Bricelyn. The following year, 1924, the membership was stated to be 400.

The following figures, selected from annual reports, indicate in some measure the work of the enterprise:

Year	Cars shipped	Gross sales	Paid shippers	Per cent paid shippers
1920	141	\$304,254	\$300,109	98.6
1921	131	190,901	187,921	98.4
1922	175	272,764	269,260	98.7
1923	266	324,238	319,203	98.4
1924	214	279,161	274,644	98.4
1925	209	374,719	370,625	98.9
1926	243	476,426	471,782	99.0
1927	242	395,860	391,553	98.9

SIX MONTHS WORK OF MINNESOTA COOPERATIVE STORE

One of Minnesota's largest cooperative stores, the Cloquet Cooperative Society, Cloquet, reports sales for the first half of the current year to the amount of \$267,150, or \$25,000 more than during the same period last year. Net earnings for the six months amounted to \$8,008, and the stock turnover in the period was reported as 4.5 times. Share capital now amounts to \$66,080. One hundred seventy new members came into the association making the total 1,287. A branch store opened at Eskos Corner, operated at a loss of \$642.

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ALABAMA FARM BUREAU INCREASES ITS LINES OF SERVICE

A new service is now offered to its members by the Alabama Farm Bureau Mutual Supply Association. The Supply Association is ready to handle all the kinds of poultry and dairy feeds recommended by the poultry and animal husbandry specialists of the State Experiment Station and the Alabama Polytechnic Institute. These feeds have been tested and proven to be superior for Alabama poultry and dairy stock. County farm bureaus are now prepared to receive orders.

In addition to the feed service the Farm Bureau will handle fruit trees, various kinds of spray materials and spray equipment. All supplies will be furnished at the lowest possible cost.

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NEW BRUNSWICK FARMERS BUY COLLECTIVELY

New Brunswick farmers bought about \$300,000 worth of commercial fertilizers cooperatively during the past year, through the New Brunswick Agricultural Societies United, an overhead organization, according to a recent consular report from Fredericton. This was 50 per cent more than in the previous year and nearly one-third of the estimated total for the entire province. At the annual meeting held in October, the reports showed that a rebate of \$2.80 per ton was due to those societies which had purchased through the overhead organization.

Reports also indicated that a majority of New Brunswick farmers preferred to mix their own fertilizers as the quantity handled included 9,071 tons of chemicals and 466 tons of mixed chemical fertilizers. Eighty-five societies bought the unmixed chemicals and only 17 purchasers bought the mixed fertilizers.

In 1926 the organization handled approximately 4,000 tons; in 1927 the total reached 6,527 tons; and the present year it has further increased to 9,538 tons. Rebates for the three years are as follows: 1926, 70 cents per ton; 1927, \$2.70; 1928, \$2.80. This season the rebates will amount to more than \$25,000.

MAY ASSOCIATIONS SELECT THEIR MEMBERS?

May a cooperative association select its members and thus determine for whom it will market products or furnish supplies? In the absence of a statute prescribing rules relative to the admission of members or stockholders, an association at common law is free to accept some and reject others. With respect to nonstock associations, numerous court decisions support this view. (W. S. Press Co. v. Fahy, ____ Ill. ____, 145 N. E. 103.)

The Supreme Court of Minnesota has said: "The right to membership in a corporation might, by a provision in its articles of incorporation, be restricted to persons of a certain nationality where the provision was not inconsistent with any statute." (Blin v. Rand, 77 Minn. 110.) A political party may select its members. (Grigsby v. Harris, 27F (2d) 942.)

The courts have universally declared that stock corporations, in the absence of a statute changing the rule, have the right to determine to whom they will sell their stock in the first instance. Membership in a nonstock association or a certificate of membership evidencing the same at common law is not transferable. (American Livestock Commission Co. v. Chicago Live Stock Exchange, 143 Ill. 190, 32 N. E. 274, 18, L. R. A. 190.)

With respect to the general subject under discussion it should be remembered that any person engaged in a private business at common law may arbitrarily refuse to sell to or buy from others if he acts independently. (Federal Trade Commission v. Raymond Bros. Clark Co. 263 U. S. 565.)

Banks at common law may arbitrarily select their depositors. (Elliott v. Capital City State Bank, 128 Iowa 275, 103 N. W. 777.) Even a doctor although the only one available, in the absence of a statute requiring him to serve all who come, has the right to arbitrarily determine with whom he will have dealings. (Rurley v. Eddington, 156 Ind. 416, 59 N. E. 1058.)

An association could adopt rules or by-laws to be followed in determining whether a person was eligible to be admitted to membership. For instance, an association could adopt a by-law that only producers who are members of some other organization may be admitted to membership. (Carpenter v. Dummitt (Burley Tobacco Growers' Cooperative Association), ____ Ky. ____, 297 S. W. 695.)

In the case of associations formed with capital stock, an association may determine to whom to will sell stock in the first instance and in all states it may restrict the transfer of its stock after issuance if the restrictions are authorized by statute, while in some states this may be done without statutory authority.

THE HIGH COST OF PROMOTION

High-powered promotional tactics have been used not infrequently in the formation of farmers' creameries and cheese factories by those interested in the sale of dairy equipment. In many cases more has been paid for buildings and equipment than was justified, or dairy equipment has been purchased beyond the economic needs of a community. A comparison was made by Cornell University for New York State of the costs incurred by farmers who were organized by professional promoters and those who organized their own associations.

The average initial investment in 17 associations promoted by outside organizers was \$4,160.29, or \$122.36 per member. The average investment in 21 farmer-organized associations was \$2,223.33, or \$57.01 per member. Although the associations in each of these groups have since been replaced by fluid milk marketing associations, it is interesting to observe that the promoted associations operated an average of 5.3 years, and the farmer-organized group an average of 9.7 years.

Although it may have been true that the promoted associations were provided with better buildings and equipment than the farmer-organized associations, the difference was not apparent, since at time of dissolution the assets of the former group averaged \$1,398.53, and the latter, \$1,355.95, a difference of but a few dollars. The corresponding liabilities were \$4,295.59 and \$2,510.47. The losses per member were \$85.20 and \$20.60, respectively.

An interesting fact brought out in a comparison of membership indicates that only 35 per cent of the promoted associations increased their membership after the organization period, while 76 per cent of the farmer-organized group gained strength.

This happened in New York State fifteen or more years ago---long enough for people to forget. As a result, by 1924 the time was about right for another period of promotional activities. The shortage of horses in New York provided the opportunity, and the outcome was the formation of many livestock improvement associations by promoters interested in selling purebred sires. Five of these were studied to determine their cost to producers. In four cases the initial cost of the sire was \$3,600 -- and this at a time when good pure-bred sires of the breed selected were obtainable at \$500. In the fifth case the sire cost \$1,500. The average cost per colt obtained or expected in the five associations during the first year was \$161.37.

These experiences of New York farmers are probably typical of what has taken place in other states. The extent of such activities is not known, but it is certain that many thousands of dollars have been taken from farming communities in this way. There is a legitimate place for cooperative activity and it is very desirable that associations be formed, but the impulse to organize should come from the farmers themselves. Existing organizations should be studied to determine how best to organize, finance and operate new associations.

To a limited extent this can be done by the farmers themselves, but in many instances the assistance of State or Federal agencies engaged in economic research should be obtained. In the formation of local or large-scale associations there is frequently a need for the assistance of experienced organizers who are thoroughly familiar with organization plans and procedure as well as membership campaign methods.

It is not against such activities that these remarks are directed. There is a vast difference, however, between legitimate organization activities sponsored by farmers and the type of promoted organization referred to in this article. The former will be organized at a minimum of expense and with excellent prospects of success. The latter are likely to be costly and of short duration.

J. F. Booth

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BONUS SYSTEM FOR COOPERATIVE EMPLOYEES

Bonus plans for employees have been initiated by some cooperatives without adequate consideration of the principles involved. The problems connected with the evolution of such plans are rather more complicated than those involved in a bonus system for an ordinary business organization for profit. In a cooperative the owners of the business are its chief patrons, which gives them a dual interest in the enterprise. As owners they are concerned in the conservation of the property and as patrons they are interested in having every penny of receipts that is not absolutely essential for the success of the business passed on to them, either as direct payments or in the form of patronage dividends. Hence, a form of bonus which stimulates efficiency in a manner to reduce operating expenses is most acceptable to those responsible for the existence of the enterprise.

An essential of any bonus plan, if it is to be successful, is that the employee can see a direct and definite relation between his own efforts and any increased compensation to him because of the bonus system. The premium resulting from increased efficiency must be apparent. This means that the method of computation must be comparatively simple, that it must be tied up definitely with the day-to-day efforts of each employee, and that the payment be made with sufficient frequency to permit the employee to connect his past efforts with the monetary return.

In the development of a bonus system it is probable that standards would have to be set up for each different departmental activity. Such procedure, of course, calls for exact information and thorough consideration in order that easily comprehended standards may be established which are just to the business and yet permit industrious and faithful employees to earn additional compensation.

A. V. Swarthout

SUGGESTED READING FOR COOPERATORS, NO. 8

"My Personal Word," by Richard Pattee, (Lord Baltimore Press, Baltimore, 1927) is written in an entirely different vein from other books on cooperation and has a charm of its own. It consists of a series of short letters contributed by Mr. Pattee to the monthly issues of the New England Dairyman over a period of ten years during which he was serving as managing director of the New England Milk Producers' Association. In addition to its historical side lights, the book is inspiring in its revelation of the spirit and character of one who was a leader in fighting the battles of the association during its formative years.

Mr. Pattee was a New Hampshire farmer, a prominent Granger, and the first chairman of the American Institute of Cooperation. He was keenly interested in the country people and their advancement. From 1913 until his death in November, 1927, he was employed by the New England Milk Producers' Association to build up and manage the enterprise. The first three years were given almost entirely to organization work, resulting in a reorganization in January, 1917. The first letter of the series, written from his sick bed, appeared in December of that year after two other officials of the company had agreed to a cut in the price of milk, of which he himself did not approve. An excerpt indicates his attitude:

The New England Milk Producers' Association will never get anywhere by being a namby-pamby-kid-glove-grandmotherly organization. Business is a fight for advantage in the markets of the world. In that fight we must give and take. It won't do to go too far or too fast, but it won't do to be frightened every time the other fellow doubles up his fist. The organized farmer has power he little dreams of. Let him be wise and reasonable but fearless and aggressive and he can go far to make farming pay and farm life worth living.

Quite evidently he was fearless himself as he was once introduced to a Maine audience as "one who had stood more kicking and cussing than any other man in New England."

The author states that the letters were written at odd times without preparation and "for the fun of just visiting with people I like," yet he made them carry a definite message of faith and hope. His graphic little stories of his home and family created a feeling of fellowship among his readers and made them feel they could trust him. That was what he wanted. A characteristic remark is, "It seems to me that the best way to retain confidence is to deserve it. That I intend and hope to do."

The book is very human and very entertaining yet through it all run the practical commonsense ideas of the author regarding cooperation and its possibilities as a means of elevating the New England rural people whom he knew so intimately.

ARTICLE TELLS OF COOPERATION IN CANADA

Under the caption "Cooperation in Canada," the Monthly Bulletin of Agricultural Statistics of the Canada Dominion Bureau of Statistics, January, 1928, publishes portions of an article by George Nestler Trioche in the Revue des Etudes Cooperatives of September, 1927. Following a general historical sketch, the author takes up his subject by provinces, giving a concise statement concerning the organizations of each province, and also describing the various national movements.

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NEW CIRCULAR ON MEMBERSHIP RELATIONS

"Membership Relations of Cooperative Associations (Fluid Milk)," is the subject discussed by J. W. Jones in Circular No. 41 of the U. S. Department of Agriculture. This circular represents one of a series of studies undertaken to assist officers and managers of cooperatives in solving some of their problems. The specific purpose in each study was to learn the attitude of the farmers toward the cooperative associations operating in their section; what they thought of the association; why they had or had not become members; what reasons they had for being dissatisfied, if any; what understanding they had of the general principles of economics and marketing, etc.

The areas covered by four cooperative milk-marketing associations of different types, were surveyed in this study and the resultant information was analyzed and tabulated, and the conclusions summarized.

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FOURTH YEARBOOK OF NORTHERN STATES LEAGUE

The Fourth Yearbook of the Northern States Cooperative League, Minneapolis, Minn., is a volume of 281 pages. In addition to the usual information regarding the work and status of the organization and each of its constituent members, this issue contains a number of signed articles by persons whose names are well known in connection with various phases of cooperative activity.

On June 30, 1928, the membership of the Northern States Cooperative League stood at 96 societies, of which 30 were directly affiliated with the League and 66 were affiliated indirectly through the Cooperative Central Exchange, Superior, Wis. Of the 96, 73 were cooperative store societies, 16 were buying clubs, 2 were mutual banks or credit unions, and one each was as follows: wholesale, consumers' creamery, life insurance society, book store, hotel. Reports from many of these enterprises help to make up the attractive yearbook.

REPORTED BY THE ASSOCIATIONS

A recent report from an official source indicates that the Farmers' Cooperative Society of Lithuania, organized about two years ago, is in a bad way financially, it having suffered losses of more than \$150,000.

Henceforth the members of the South Dakota Wheat Growers' Association, Aberdeen, S. Dak., will receive returns for their wheat in four payments: an advance at time of delivery, a payment about March 1, another about July 1, and the final settlement in the fall.

In the first 10 months of 1928, the Fayette Cooperative Marketing Association, Washington Court House, Ohio, marketed for its members 62,180 pounds of butterfat, 1,119,846 pounds of whole milk, 142,818 dozen eggs, and 114,307 pounds of poultry.

A series of nine cooperative marketing institutes is announced by the Superintendent of Farmers' Institutes of Wisconsin. These meetings will begin in December and will extend through January and February and into March. Each institute will last three days. Six of the institutes will deal with the subject of American cheese; one, with foreign cheese; and two with poultry and eggs.

The Farmers' Elevator Association of Nebraska which has been functioning as an educational and service organization since its formation January 24, 1903, has broadened its activity and is now serving its member elevators by supplying commercial feeds and coal in wholesale quantities on a cooperative basis. At the same time it is carrying on educational work in behalf of the scientific feeding of farm animals.

The wives of the patrons of the member creameries of the Land O'Lakes Creameries, Inc., Minneapolis, are organizing local associations. Their objects are stated as follows: "To carry on educational work in the principles and aims of cooperation, to function as a bureau of service for the interchange of ideas, to develop better dairy methods for the production of A-1 cream, and to promote the business and social interests of the community."

The Kansas Cooperative Wheat Marketing Association, Wichita, is now calling attention to its fourth annual essay contest for boys and girls in high schools of the state. The essay subject is "The New Era in Marketing Farm Products," and the prizes offered are as follows: first, \$20; second, \$10; and four third prizes of \$5 each. The association will send rules for the contest and reading matter to all applicants.

SELECTED LIST OF PUBLICATIONS AND ARTICLES

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Chaney, A. U. Marketing Cranberries. Cooperative Marketing Journal, Memphis, Tenn., November, 1928, p. 254.

Christensen, Chris. L. What an American Can Learn from Danish Cooperative Agriculture. Cooperative Marketing Journal, Memphis, Tenn., November, 1928, p. 272.

Elsworth, R. H. Cooperative Purchasing by Farmers. Northern States Cooperative League, Fourth Yearbook, 1928. Minneapolis, Minn., p. 19.

Gray, Chester H. What's Next in Insurance? Bureau Farmer, Missouri Edition. Fort Wayne, Ind., November, 1928, p. 7.

Hood, Robin. Trends of the Times. Cooperative Marketing Journal, Memphis, Tenn., November, 1928, p. 245.

Patton, Harald S. The Canadian Wheat Pool: A Successful Venture in Cooperative Marketing. Article 1. The Annalist, New York City, November 2, 1928, p. 693.

Poe, Clarence. An A B C of Rural Cooperative Effort: Getting Farmers to Cooperate in Buying Fertilizer. Seeds and Feeds. Progressive Farmer, Mississippi Valley Edition, Memphis, Tenn., November 10, 1928, p. 5.

Real Cooperation. (Editorial) New England Homestead, Springfield, Mass., November 10, 1928, p. 5.

Sherman, Val. C. Putting Pintos on the Map in Colorado. National Live Stock Producer, Chicago, Ill., September, 1928, p. 7.

Smith, C. B. Relationship of the Extension Service to Farmers' Cooperative Associations. Cooperative Marketing Journal, Memphis, Tenn., November, 1928, p. 250.

Tobriner, Matthew O. Has Cooperative Marketing Failed? California Cultivator, Los Angeles, Calif., October 27, 1928, p. 413.

Who Is Opposed to Cooperative Marketing? (Editorial) Progressive Farmers, Texas Edition, Dallas, Tex., October 6, 1928, p. 4.

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